

HOUSE BILL No. 1471

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-5.5.

Synopsis: Public charter schools. Allows the governing body of a school corporation to convert a noncharter school of the school corporation into a charter school by issuing a charter to an organizer (who must be a group of parents and teachers in a school corporation) to operate a charter school. Provides an appeal to the Indiana state board of education when a charter school proposal is not accepted or when a charter is revoked. Sets forth the organization, powers, method of establishment, charter contents, policies, oversight, and restrictions for charter schools. Provides that collective bargaining applies to a charter school. Provides that all charter school teachers are employees of the school corporation. Provides that if a school corporation
(Continued next page)

Effective: Upon passage.

Crawford

January 19, 1999, read first time and referred to Committee on Education.



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eliminates a teaching position in a noncharter school because of a charter school, the elimination is subject to due process. Provides that a charter school may not receive public funds on a per student basis for an amount that is less than the school corporation's average annual per pupil expenditures for noncharter schools during the two years preceding the year of payment. Provides that a debt that a school corporation has incurred for the building where the charter school is located continues as the debt of the school corporation and does not become a debt of the charter school.

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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1471

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-5.5 IS ADDED TO THE INDIANA CODE AS
2 A **NEW ARTICLE** TO READ AS FOLLOWS [EFFECTIVE UPON
3 PASSAGE]:

4 **ARTICLE 5.5. PUBLIC CHARTER SCHOOLS**

5 **Chapter 1. Definitions**

6 **Sec. 1. The definitions in this chapter apply throughout this**
7 **article.**

8 **Sec. 2. "Board" refers to the Indiana state board of education**
9 **established by IC 20-1-1-1.**

10 **Sec. 3. "Charter" means a contract between an organizer and**
11 **the governing body of a school corporation for the establishment**
12 **of a charter school.**

13 **Sec. 4. "Charter school" means a public elementary school or**
14 **secondary school established under this article that:**

15 **(1) is nonsectarian and nonreligious; and**



(2) operates:

(A) under a charter; and

(B) as a part of a school corporation.

Sec. 5. "Department" refers to the department of education established by IC 20-1-1.1-2.

Sec. 6. "Elementary school" has the meaning set forth in IC 20-10.1-1-15.

Sec. 7. "Governing body" has the meaning set forth in IC 20-5-1-3(b).

Sec. 8. "Organizer" refers to a group of:

(1) parents of children enrolled in a school corporation; and

(2) teachers employed by a school corporation;

that enters into a contract under this article to operate a charter school in the school corporation where the parents' children are enrolled or where the teachers are employed.

Sec. 9. "Parent" has the meaning set forth in IC 20-1-1.8-8.

Sec. 10. "Proposal" refers to a proposal from an organizer to establish a charter school.

Sec. 11. "Public school" has the meaning set forth in IC 20-10.1-1-2.

Sec. 12. "School corporation" has the meaning set forth in IC 20-5-1-3(a).

Sec. 13. "Secondary school" refers to a high school (as defined in IC 20-10.1-1-16).

Sec. 14. "Teacher" means a school employee (as defined in IC 20-7.5-1-2(e)).

Chapter 2. Description

Sec. 1. A charter school may be established under this article to provide innovative and autonomous programs to do the following:

(1) Serve the different learning styles and needs of public school students.

(2) Offer public school students appropriate and innovative choices.

(3) Afford varied opportunities for professional educators.

(4) Allow public schools freedom and flexibility in exchange for exceptional levels of accountability.

(5) Provide parents, students, community members, and local entities with an expanded opportunity for involvement in the public school system.

Sec. 2. A charter school is subject to all federal and state laws and constitutional provisions that prohibit discrimination, including discrimination on the basis of the following:



- (1) Disability.
- (2) Race.
- (3) Color.
- (4) Gender.
- (5) National origin.
- (6) Religion.
- (7) Ancestry.

Chapter 3. Establishment

Sec. 1. Unless section 5 of this chapter applies, a governing body shall convert a noncharter school in the school corporation into a charter school by granting a charter to an organizer to operate the school as a charter school under this article. The governing body has authority to grant a charter:

- (1) subject to the approval required by section 6 of this chapter, if applicable; and
- (2) except as provided in section 8 of this chapter.

Sec. 2. A governing body may not grant a charter for a charter school to operate:

- (1) outside the geographic boundaries of the school corporation; or
- (2) in a school building other than the building of the school corporation that is converted into the charter school.

Sec. 3. An organizer may submit to the governing body a proposal to establish a charter school. A proposal must contain, at a minimum, the following information:

- (1) Identification of the organizer.
- (2) A description of the organizer's organizational structure and governance plan.
- (3) The following information for the proposed charter school:
 - (A) Name.
 - (B) Purposes.
 - (C) Governance structure.
 - (D) Management structure.
 - (E) Educational mission goals.
 - (F) Curriculum and instructional methods.
 - (G) Methods of pupil assessment.
 - (H) Admission issues, subject to IC 20-5.5-2-2, IC 20-5.5-5-4, and IC 20-5.5-5-5.
 - (I) School calendar.
 - (J) School daily schedule.
 - (K) Age or grade range of pupils to be enrolled.



- 1 (L) A description of staff responsibilities.
- 2 (M) Budget and financial plans.
- 3 (N) Transportation plan.
- 4 (O) Discipline program.
- 5 (P) Plan for compliance with any applicable desegregation
- 6 order.
- 7 (Q) The extent to which the charter school will be governed
- 8 by school corporation policies.
- 9 (R) The date when the charter school is expected to:
- 10 (i) begin school operations; and
- 11 (ii) have students in attendance at the charter school.
- 12 (4) A statement that the charter school will comply with:
- 13 (A) this article; and
- 14 (B) federal and state laws applicable to public bodies or
- 15 school corporations.
- 16 (5) Identification of the school corporation where the charter
- 17 school will be located and the noncharter school that will be
- 18 converted into a charter school.
- 19 (6) Plans for the conversion of the noncharter school into a
- 20 charter school.
- 21 (7) The manner in which an annual audit of the programmatic
- 22 operations of the charter school is to be conducted by the
- 23 governing body.
- 24 **Sec. 4. If the governing body grants a charter to establish a**
- 25 **charter school, the governing body must provide a noncharter**
- 26 **school that students of the same age or grade levels may attend.**
- 27 **Sec. 5. (a) The governing body may reject a proposal to establish**
- 28 **a charter school if the governing body determines that there are**
- 29 **significant and objective reasons to justify a finding by a**
- 30 **reasonable person that at least one (1) of the following conditions**
- 31 **exists:**
- 32 (1) The application does not provide the information required
- 33 under this chapter with enough detail to adequately
- 34 substantiate or evaluate the proposal.
- 35 (2) The proposal is not likely to result in reasonable
- 36 improvement in academic performance in accordance with
- 37 the governing body's expectations and goals for the
- 38 improvement of academic performance throughout the school
- 39 corporation.
- 40 (3) There is not a substantial level of support in the
- 41 community for the charter school.
- 42 (b) The governing body may revoke the charter of a charter

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1 school that does not by the date specified in the charter:

- 2 (1) begin school operations; and
- 3 (2) have students in attendance at the charter school.

4 **Sec. 6. Before granting a charter under which more than fifty**
 5 **percent (50%) of the students in the school corporation will attend**
 6 **a charter school, the governing body must receive the approval of**
 7 **the board.**

8 **Sec. 7. (a) The governing body must notify the department and**
 9 **the board of the following:**

- 10 (1) The receipt of a proposal.
- 11 (2) The acceptance of a proposal.
- 12 (3) The rejection of a proposal, including the reasons for the
- 13 rejection, as listed in section 5 of this chapter.

14 **(b) The department shall annually do the following:**

- 15 (1) Compile the information received under subsection (a)
- 16 into a report.
- 17 (2) Submit the report to the board and the general assembly.

18 **Sec. 8. (a) This section applies if a governing body rejects a**
 19 **proposal to grant or extend a charter.**

20 **(b) The organizer may appeal the decision of the governing body**
 21 **to the board.**

22 **(c) Upon the request of an organizer, the board shall meet to**
 23 **consider the organizer's proposal and the governing body's reasons**
 24 **for rejecting the proposal. The board must allow the organizer and**
 25 **governing body to participate in the meeting.**

26 **(d) Following a meeting under subsection (c), the board shall:**

- 27 (1) issue an advisory opinion to the organizer and the
- 28 governing body that:

29 (A) supports the governing body's rejection of the

30 proposal;

31 (B) recommends that the governing body approve the

32 proposal; or

33 (C) recommends that the organizer amend the proposal

34 and the governing body approve the amended proposal; or

- 35 (2) direct the governing body to accept the proposal.

36 **The board shall issue the advisory opinion under subdivision (1) or**
 37 **the directive under subdivision (2) not later than forty-five (45)**
 38 **days after the board receives the request for review.**

39 **(e) This subsection applies if the board acts under subsection**
 40 **(d)(1). Not later than forty-five (45) days after:**

- 41 (1) receiving a recommendation from the board to approve a
- 42 proposal; or

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(2) receiving an amended plan from the organizer that complies with a recommendation of the board; the governing body shall reconsider the proposal's rejection. The governing body may approve or reject the proposal upon reconsideration based upon the governing body's findings as listed in section 5 of this chapter. The decision of the governing body is final.

(f) This subsection applies if the board acts under subsection (d)(2). The decision of the board is final.

Sec. 9. The governing body must include a charter school when complying with public notice requirements affecting public schools.

Chapter 4. The Charter

Sec. 1. A charter must do the following:

- (1) Be a written instrument.
- (2) Be executed by a governing body and an organizer.
- (3) Confer certain rights, privileges, and obligations on a charter school.
- (4) Confirm the status of a charter school as a public school.
- (5) Be granted for not less than three (3) years or more than five (5) years.
- (6) Provide for renewal, if the governing body and the organizer agree to renew the charter.
- (7) Specify the grounds for the governing body to:
 - (A) revoke the charter before the end of the term for which the charter is granted, as set forth in IC 20-5.5-3-5(b) and IC 20-5.5-8; or
 - (B) not renew a charter.
- (8) Set forth the methods by which the charter school is held accountable for achieving the educational mission and goals of the charter school, including the following:
 - (A) Evidence of improvement in assessment measures, attendance rates, and graduation rates (if appropriate) and increased numbers of academic honors diplomas (if appropriate).
 - (B) Evidence of progress toward reaching the educational goals included in the charter.
- (9) Describe the method to be used to monitor the charter school's:
 - (A) compliance with applicable law; and
 - (B) performance in meeting targeted educational performance.
- (10) Specify that the governing body and the organizer may



amend the charter during the term of the charter by mutual consent and describe the process for amending the charter.

(11) Describe specific operating requirements, including at least all of the matters set forth in the application for the charter.

(12) Specify the services that the school corporation will provide to the charter school at cost.

(13) Specify the school corporation policies, if any, that will apply to the charter school.

(14) Specify a date when the charter school will:

(A) begin school operations; and

(B) have students in attendance at the charter school.

(15) Specify that IC 20-7.5 applies to the establishment and operation of the charter school.

(16) Subject to IC 20-5.5-7, describe the funding of the charter school.

Chapter 5. Powers and Exemptions

Sec. 1. (a) A charter school is a public school and, as such, is a part of the school corporation in which the charter school is located.

(b) Except as provided in section 7 of this chapter, a charter school is subject to all laws and rules applicable to all noncharter public schools.

Sec. 2. A charter school may, for educational purposes, acquire personal property or an interest in personal property by purchase, gift, grant, devise, or bequest.

Sec. 3. A charter school may not do the following:

(1) Operate at a site other than a site described in the charter or for grades other than as specified in the charter.

(2) Charge for tuition or transportation for a student residing within the school corporation's geographic boundaries.

However, a charter school may charge tuition for:

(A) a preschool program, unless charging tuition for the preschool program is barred under federal law; or

(B) a latch key program;

if the charter school provides those programs.

(3) Except for a foreign exchange student who is not a United States citizen, enroll a pupil who is not a resident of Indiana.

(4) Operate outside the geographic boundaries of the school corporation that grants the charter to the charter school.

Sec. 4. For each charter school established under this article, the charter school and the organizer are accountable to the governing



body for ensuring compliance with:

- (1) applicable federal and state laws;
- (2) the charter; and
- (3) the Constitution of the State of Indiana.

Sec. 5. A governing body must make enrollment at the charter school available to all students of the appropriate age or grade having legal settlement in the school corporation. If more students seek enrollment in the charter school than there are places available, enrollment in the charter school shall be determined by lot.

Sec. 6. A charter school includes any grade or any configuration of grades specified in the charter and limits admission to pupils who are within those grades.

Sec. 7. Notwithstanding any other law and except as otherwise provided in this article, a charter school may waive compliance with the following statutes and rules:

(1) Concerning curriculum and instructional time:

- IC 20-10.1-4-6.
- IC 20-10.1-4-7.
- IC 20-10.1-4-9.1.
- 511 IAC 6-7-6.
- 511 IAC 6.1-3-4.
- 511 IAC 6.1-5-0.5.
- 511 IAC 6.1-5-2.5.
- 511 IAC 6.1-5-3.5.
- 511 IAC 6.1-5-4.
- 511 IAC 6.1-5.1.

(2) Concerning textbooks:

- IC 20-10.1-9-1.
- IC 20-10.1-9-18.
- IC 20-10.1-9-21.
- IC 20-10.1-9-23.
- IC 20-10.1-9-27.
- IC 20-10.1-10-1.
- IC 20-10.1-10-2.
- 511 IAC 6.1-5-5.

(3) Concerning pupil/teacher ratios:

- 511 IAC 6-2-1(b)(2).
- 511 IAC 6.1-4-1.

(4) Concerning graduation requirements, 511 IAC 6-7.

(5) Concerning pupil/principal ratios, 511 IAC 6-2-1(c)(4).

(6) Concerning the performance-based accreditation system,

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1 IC 20-1-1.2. However, the legal standards defined in
 2 IC 20-1-1.2-1, not otherwise authorized to be waived under
 3 this section, may not be waived.

4 **Chapter 6. Employment**

5 **Sec. 1. An individual who works at a charter school is an**
 6 **employee of the school corporation.**

7 **Sec. 2. (a) A teacher who is employed in the school corporation**
 8 **may not be required to teach in a charter school.**

9 **(b) The contract of a teacher shall not be canceled or otherwise**
 10 **not renewed because the teacher does not wish to teach in a charter**
 11 **school.**

12 **Sec. 3. In the charter, the organizer shall make accommodations**
 13 **through a documented procedure and in compliance with the**
 14 **collective bargaining agreement to do the following:**

15 **(1) Facilitate the transfer of teachers who do not wish to teach**
 16 **in a charter school into another appropriate public school**
 17 **within the school corporation.**

18 **(2) Transfer teachers in the school corporation who wish to**
 19 **teach in the charter school to the charter school as openings**
 20 **permit.**

21 **Sec. 4. The establishment of a charter school or any action taken**
 22 **in connection with the establishment of a charter school is not**
 23 **grounds for the cancellation of an indefinite contract with a**
 24 **permanent or semipermanent teacher.**

25 **Sec. 5. The following apply to a teacher who is employed in a**
 26 **noncharter school in the school corporation and who transfers to**
 27 **a charter school in the same school corporation or a teacher who**
 28 **becomes employed in a charter school in a school corporation who**
 29 **has not previously been a noncharter school teacher in the school**
 30 **corporation:**

31 **(1) The teacher retains all rights and privileges bestowed**
 32 **under IC 20-6.1-4, IC 20-6.1-5, and IC 20-6.1-6.**

33 **(2) The teacher does not lose the nonpermanent,**
 34 **semipermanent, or permanent contract status with the school**
 35 **corporation.**

36 **(3) The teacher continues to accrue years of service in the**
 37 **same manner that the teacher accrued years of service in the**
 38 **noncharter school for contract status, teacher retirement, and**
 39 **seniority purposes.**

40 **Sec. 6. This article may not be construed to waive, modify, or**
 41 **otherwise affect the terms of a collective bargaining agreement**
 42 **negotiated under IC 20-7.5.**

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Chapter 7. Fiscal Matters

Sec. 1. (a) The organizer is the fiscal agent for the charter school.

(b) Subject to all laws and rules concerning the accounting and expenditure of public funds applicable to noncharter public schools, the organizer has exclusive control of:

- (1)** funds received by the charter school; and
- (2)** financial matters of the charter school.

(c) The organizer shall maintain separate accountings of all funds received and disbursed by the charter school.

Sec. 2. For purposes of computing:

- (1)** tuition support;
- (2)** state funding for any purpose; or
- (3)** average attendance statistics;

charter school students of a school corporation are counted in the same manner as students of the school corporation who do not attend a charter school.

Sec. 3. The department shall distribute:

- (1)** tuition support; and
- (2)** state funding for any purpose;

for students in a charter school to the school corporation where the charter school is located.

Sec. 4. (a) The governing body of the school corporation shall pay to the fiscal agent of a charter school the amount provided in the charter for operation of the charter school.

(b) Subject to subsection (c), a charter school or its fiscal agent may not receive public funds on a per student basis for an amount that is less than the school corporation's average annual per pupil expenditures for noncharter schools during the two (2) years before the year the charter school receives the public funds.

(c) For purposes of computing a school corporation's average annual per pupil expenditures in a school corporation's noncharter schools under subsection (b), expenditures may be considered only from the following funds of the school corporation:

- (1)** The general school fund (established under IC 21-2-11).
- (2)** The school transportation fund (established under IC 21-2-11.5).

Sec. 5. Notwithstanding section 4 of this chapter, a proportionate share of local, state, and federal funds received by a school corporation for:

- (1)** students with disabilities; or
- (2)** staff services for students with disabilities;



1 shall be directed to a charter school that enrolls students with
2 disabilities.

3 Sec. 6. Notwithstanding section 4 of this chapter, a
4 proportionate share of funds generated by or received by a school
5 corporation under federal or state categorical aid programs shall
6 be directed to a charter school serving students who are eligible for
7 that federal or state aid.

8 Sec. 7. Services that a school corporation provides to a charter
9 school, including transportation, must be provided at cost.

10 Sec. 8. A charter school may apply for and accept for the
11 charter school:

- 12 (1) independent financial grants; or
- 13 (2) funds from public or private sources other than the school
14 corporation of which the charter school is a part.

15 Sec. 9. A debt that a school corporation has incurred for the
16 building where the charter school is located continues as the debt
17 of the school corporation and does not become a debt of the charter
18 school.

19 Chapter 8. Oversight and Revocation

20 Sec. 1. An organizer that has established a charter school shall
21 submit an annual report to the department for informational and
22 research purposes and to the board for the board's review.

23 Sec. 2. An annual report under this chapter must contain the
24 following information for a charter school:

- 25 (1) Results of all standardized testing.
- 26 (2) A description of the educational methods and teaching
27 methods employed.
- 28 (3) Daily attendance records.
- 29 (4) Graduation statistics.
- 30 (5) Student enrollment data, including the following:
 - 31 (A) The number of students enrolled.
 - 32 (B) The number of students expelled.
 - 33 (C) The number of students who discontinued attendance
34 at the charter school and the reasons for the
35 discontinuation.

36 Sec. 3. The governing body shall oversee a charter school's
37 compliance with:

- 38 (1) the charter; and
- 39 (2) all applicable law.

40 Sec. 4. A governing body that grants a charter may revoke the
41 charter at any time before the expiration of the term of the charter
42 if the governing body determines that at least one (1) of the



1 following occurs:

2 (1) The organizer fails to comply with the conditions
3 established in the charter.

4 (2) The charter school established by the organizer fails to
5 meet the educational goals set forth in the charter.

6 (3) The organizer fails to comply with all applicable laws.

7 Sec. 5. (a) An organizer that has a charter that is revoked by the
8 governing body under section 4 of this chapter may appeal the
9 revocation to the board.

10 (b) Upon the request of the organizer, the board shall meet to
11 consider the appeal and the governing body's reason for revoking
12 the charter. The board must allow the organizer and the governing
13 body to participate in the meeting. Following the meeting, the
14 board shall either:

15 (1) issue an advisory opinion to the organizer and the
16 governing body that:

17 (A) supports the governing body's revocation of the
18 charter; or

19 (B) recommends that the governing body rescind the
20 revocation of the charter; or

21 (2) direct the governing body to rescind the revocation of the
22 charter.

23 (c) The board shall issue the advisory opinion under subsection
24 (b)(1) or the directive under subsection (b)(2) not later than
25 forty-five (45) days after the board receives the appeal.

26 (d) This subsection applies if the board acts under subsection
27 (b)(1). Not later than forty-five (45) days after receiving a
28 recommendation from the board to rescind the revocation of a
29 charter, the governing body shall reconsider the revocation of the
30 charter based upon the grounds for revocation listed in section 4
31 of this chapter. The governing body may rescind the revocation or
32 invoke the revocation. The decision of the governing body is final.

33 (e) This subsection applies if the board acts under subsection
34 (b)(2). The decision of the board is final.

35 Sec. 6. A charter school shall report the following to the
36 governing body:

37 (1) Attendance records.

38 (2) Student performance data.

39 (3) Financial information.

40 (4) Any information necessary for the local school corporation
41 to comply with state and federal government requirements.

42 SECTION 2. An emergency is declared for this act.

